

AN ACT

relating to The Woodlands Township.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 8(e), Chapter 289, Acts of the 73rd Legislature, Regular Session, 1993, is amended to read as follows:

(e) A vacancy in the office of director shall be filled by appointment of a qualified individual by a majority vote of the remaining directors~~[, except that if the number of directors for any reason is less than four, on petition of a resident of or owner of real property in the district, the commission shall appoint the required number of qualified individuals to fill the vacancies]~~.

SECTION 2. Section 11B, Chapter 289, Acts of the 73rd Legislature, Regular Session, 1993, is amended by adding Subsection (b) to read as follows:

(b) Notwithstanding Subsection (a) of this section, if at least 99 percent of the territory of the district is incorporated and the district is dissolved in the manner provided by Section 14A of this Act, the district or municipality shall apply the proceeds from a hotel occupancy tax imposed under Section 11A of this Act:

(1) for the purposes described by Section 351.101, Tax Code; or

(2) as may otherwise be required in connection with the district's debt and other obligations existing before the incorporation to which the proceeds from a hotel occupancy tax

1 imposed under Section 11A of this Act have been pledged.

2 SECTION 3. Section 11C(p), Chapter 289, Acts of the 73rd
3 Legislature, Regular Session, 1993, is amended to read as follows:

4 (p) Sections 311.002 and 311.014 through 311.017, Tax Code,
5 apply to the district, except that for purposes of this subsection:

6 (1) a reference in those sections to a municipality
7 means the district and the development zone;

8 (2) a reference in those sections to an ordinance
9 means an order;

10 (3) a reference in those sections to a reinvestment
11 zone means a development zone;

12 (4) a reference in those sections to an agreement made
13 under Subsection (b), Section 311.010, Tax Code, means an agreement
14 made under Subsection (1) of this section;

15 (5) "development" means initial development;

16 (6) "redevelopment" means substantial redevelopment;

17 (7) Section 311.016, Tax Code, applies only if ad
18 valorem taxes are used, in whole or in part, in payment of project
19 costs of a development zone; and

20 (8) a development zone created without a duration or
21 date of termination may be dissolved by a two-thirds vote of the
22 board of directors of the district or of the governing body of a
23 municipality or other form of local government, other than the
24 development zone, succeeding to the principal assets, powers,
25 functions, and liabilities of the district, but only if:

26 (A) the development zone has no outstanding
27 indebtedness or other obligations; or

1 (B) the assets, powers, functions, and
2 liabilities, and any outstanding indebtedness or obligations, of
3 the development zone are expressly assumed by the district or the
4 succeeding municipality or local government.

5 SECTION 4. Chapter 289, Acts of the 73rd Legislature,
6 Regular Session, 1993, is amended by adding Section 14A to read as
7 follows:

8 Sec. 14A. INCORPORATION. (a) This section prevails over
9 any other provision of this Act that conflicts with or is
10 inconsistent with this section.

11 (b) Except as provided by Subsections (c) and (f) of this
12 section, and subject to any applicable limitations of the
13 constitution of this state, if the incorporation of at least 99
14 percent of the territory of the district and the transfer of the
15 rights, powers, privileges, duties, purposes, functions, and
16 responsibilities of the district and the district's authority to
17 issue bonds and impose a tax to the municipality are approved by a
18 majority of the voters voting in an election held for that purpose,
19 including an election described by Section 9(h)(2) of this Act:

20 (1) the assets, liabilities, obligations, rights,
21 powers, privileges, duties, purposes, functions, and
22 responsibilities of the district and the district's authority to
23 issue bonds and impose a tax are transferred to the municipality;
24 and

25 (2) the district is dissolved.

26 (c) If on the date the incorporation of the territory of the
27 district is approved at an election described by Subsection (b) of

1 this section the district owes any debt that cannot be transferred
2 to the municipality, the district is continued until the debt is
3 retired or is restructured in a manner that the debt may be
4 transferred to the municipality.

5 (d) If the conditions described by Subsection (c) of this
6 section are met:

7 (1) the board shall adopt an order certifying that the
8 conditions have been met; and

9 (2) on the effective date of the order:

10 (A) the assets, liabilities, obligations,
11 rights, powers, privileges, duties, purposes, functions, and
12 responsibilities of the district and the district's authority to
13 issue bonds and impose a tax are transferred to the municipality;
14 and

15 (B) the district is dissolved.

16 (e) In addition to any other restructuring methods
17 permitted by law, the district may restructure its outstanding debt
18 for the purpose of transferring the debt to the municipality by
19 issuing refunding bonds secured by:

20 (1) a limited pledge of ad valorem tax revenue not
21 greater than that authorized to be levied by the municipality;

22 (2) a pledge of one or more other sources of revenue
23 available to the district that are also available to the
24 municipality under this section or general law; or

25 (3) a pledge of a combination of revenues described by
26 Subdivisions (1) and (2) of this subsection.

27 (f) The transfer of assets, liabilities, obligations,

1 rights, powers, privileges, duties, purposes, functions, and
2 responsibilities of the district and the district's authority to
3 issue bonds and impose a tax to the municipality under this section
4 is effective regardless of whether the boundaries of the
5 municipality are coterminous with the boundaries of the district,
6 unless the transfer would materially impair the security for a debt
7 transferred to the municipality. If the transfer would materially
8 impair the security for a debt transferred to the municipality, the
9 debt must be restructured in the manner provided by this section
10 before the transfer may occur.

11 SECTION 5. Subtitle X, Title 6, Special District Local Laws
12 Code, is amended by adding Chapter 11011 to read as follows:

13 CHAPTER 11011. THE WOODLANDS TOWNSHIP

14 Sec. 11011.001. DEFINITION. In this chapter, "district"
15 means The Woodlands Township.

16 Sec. 11011.002. LAW GOVERNING DISTRICT. The district is
17 governed by this chapter and Chapter 289, Acts of the 73rd
18 Legislature, Regular Session, 1993.

19 Sec. 11011.003. DISSOLUTION OF DISTRICT. (a) If at least
20 99 percent of the territory of the district is incorporated and the
21 district is dissolved in the manner provided by Section 14A,
22 Chapter 289, Acts of the 73rd Legislature, Regular Session, 1993,
23 only the following sections of Chapter 289, Acts of the 73rd
24 Legislature, Regular Session, 1993, apply to the municipality in
25 addition to any applicable general law provisions, a reference in
26 those sections to the district means the municipality, and a
27 reference in those sections to the board or board of directors means

1 the governing body of the municipality:

2 (1) Sections 6(a) and (c);

3 (2) Sections 7(a), (b), (c), (e), (f), (g), (h), (i),
4 (j), (l), (n), (o), (p), (q), (r), (t), (u), (v), (w), (y), (z), and
5 (aa);

6 (3) Section 7H;

7 (4) Sections 9(h)(3), (4), and (5);

8 (5) Section 11;

9 (6) Section 11A;

10 (7) Section 11B;

11 (8) Section 11B-1;

12 (9) Section 11C;

13 (10) Sections 12A(a), (c), (d), (e), and (f); and

14 (11) Section 13.

15 (b) The remaining provisions of Chapter 289, Acts of the
16 73rd Legislature, Regular Session, 1993, do not apply to the
17 municipality after the dissolution of the district.

18 SECTION 6. (a) The legal notice of the intention to
19 introduce this Act, setting forth the general substance of this
20 Act, has been published as provided by law, and the notice and a
21 copy of this Act have been furnished to all persons, agencies,
22 officials, or entities to which they are required to be furnished
23 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
24 Government Code.

25 (b) The governor, one of the required recipients, has
26 submitted the notice and Act to the Texas Commission on
27 Environmental Quality.

1 (c) The Texas Commission on Environmental Quality has filed
2 its recommendations relating to this Act with the governor,
3 lieutenant governor, and speaker of the house of representatives
4 within the required time.

5 (d) The general law relating to consent by political
6 subdivisions to the creation of districts with conservation,
7 reclamation, and road powers and the inclusion of land in those
8 districts has been complied with.

9 (e) All requirements of the constitution and laws of this
10 state and the rules and procedures of the legislature with respect
11 to the notice, introduction, and passage of this Act have been
12 fulfilled and accomplished.

13 SECTION 7. This Act takes effect immediately if it receives
14 a vote of two-thirds of all the members elected to each house, as
15 provided by Section 39, Article III, Texas Constitution. If this
16 Act does not receive the vote necessary for immediate effect, this
17 Act takes effect September 1, 2017.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1014 passed the Senate on April 25, 2017, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 27, 2017, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1014 passed the House, with amendment, on May 24, 2017, by the following vote: Yeas 146, Nays 0, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor